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COMINT 77-0075

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13 JAN 1977

MEMORANDUM FOR: Deputy Director for Administration  
Deputy Director for Intelligence  
Deputy Director for Operations  
Deputy Director for Science and Technology  
Administrative Officer, DCI Area

SUBJECT : FY 1977 Reprogramming to Meet CFI Reduction of  
\$1.0 Million

1. On 5 November 1976, the CFI reduced the CIA's FY 1977 Program by \$1.0 million to help meet a [REDACTED] shortfall in another national program. In the course of preparing the reprogramming proposed to meet this shortfall, the CFI has asked that the source of the \$1.0 million within the CIA Program be identified. The CFI plans to respond to Congress on 17 January 1977. We have told the CFI that we would provide the \$1.0 million by deferring the purchase of supplies and equipment and delaying certain engineering support projects with the expectation that the most important of the deferred items and projects will be funded later in the year, if savings become available in other programs. The CFI is content with this general response for now, but expects that we will be asked for more details when Congress begins its review of the request and, in fact, this is almost a foregone conclusion. When Congress acts, assuming it approves, there will be an appropriation transfer with the consequent reduction in our 1977 appropriation, and this reduction will have to be reflected in our financial accounting systems. It is necessary, therefore, that we identify precisely what the sources of the funds will be not only to respond to Congress, if and when they ask, but also to adjust the financial records of the Agency.

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2. After careful consideration of several alternative approaches, I believe that our best strategy is to identify a number of program areas or projects from the low priority lists you submitted last fall, where funds totalling \$1.0 million could be obtained with the understanding that these reductions would be restored, if and when, year-end savings beyond those required to meet unforeseen hard requirements are identified. Would you, therefore, provide to me by COB, 18 January 1977, a list of those programs and/or projects

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Classified by [REDACTED]
Exempt from general declassification schedule of E.O. 11652 exemption schedule 5B (1), (2), (3) Declassify on [REDACTED] Date impossible to determine

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in your respective Directorates where deferrals could be made and, the amounts of these deferrals. Needless to say, the sums from each Directorate will have to total \$1.0 million. In making your selection, I would suggest you consider programs and/or projects which:

- Could either be eliminated altogether or not be seriously harmed if the deferred sums were not restored;
- Could be restored to their original levels of funding near the end of the fiscal year and still be fully obligated by the end of the fiscal year;
- Could accommodate reductions on the order of \$50 thousand to \$250 thousand to simplify the procedures for restoring these funds if possible at year's end and, to avoid identifying major projects to the Congress capable of sustaining large reductions. I believe it is preferable to identify more program areas or projects individually yielding smaller amounts, than to identify only a few sources individually yielding substantially larger amounts.

3. I appreciate your help in this very painful exercise. Do not hesitate to call me or members of the Resources Staff, if we may be of assistance.

  
Asst. Comptroller, Resources

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